FÉDÉRATION
INTERPROFESSIONNELLE
DE LA SANTÉ DU QUÉBEC

International Women's Day 2011

Continuing to demand

respect for our rights

Activity Plan for status of women representatives

Status of Women Sector
January 31, 2011

In this document you will find a series of questions/answers that will serve as talking points and a quiz that you can use during the activities that you will be organizing to commemorate March 8, 2011. This is to back up the concise information presented in the tent card produced by the *Intersyndical des femmes*.

Have a good International Women's Day!

Credits:

Political Officer:	Michèle Boisclair, 1st vice-president
Conception:	Martine Eloy, Consultant for the Status of Women Sector
Translation:	Susan Millroy, Consultant for the Translation Service
Secretariat:	Luce Dessureault, secretary

Questions and answers

Q. : Which rights are affected when access to public services are reduced?

A. : **The right to work and to decent living conditions**: The public sector offers services which have been traditionally provided by women (daycare, health care, education, etc.) and thus enable women to have access to the job market. When the offer of public services is reduced, it is first women who quit their jobs to take care of family members.

The right to health: The introduction of the concept of user-payer and the fees for using the services, and privatization, greatly compromising access to health services and therefore affecting the right of everyone to an optimal level of health regardless of the size of their wallet.

The right to education: The increase in tuition can be prohibitive, or at least a deterrent, thus depriving the most vulnerable in society of their right to an education.

The right to equality: The right to equality for women goes through economic autonomy. So, the reduction and taxation of public services affects the right to health, education and work which are the key to economic autonomy.

Q. Why does the government keep up the position of lowering income taxes when it complains that its coffers are empty?

A: The government's current expenses are higher than the revenues. While income tax remains the most fair and equitable way to find revenue, our government, since 2003, has deliberately chosen to lighten income tax for enterprises and individuals. **The fiscal reliefs of all kinds granted by the liberals represent a shortfall of 5.4 billion dollars for 2009-2010** alone, according to the government's own numbers.

So, the government hammers it in that there is a deficit and that the coffers are empty. Its solution? Increase the sales tax and the fees to be paid by everyone, including the poorest, which, for a government preoccupied with the "fiscal burden" of the wealthiest, is the most advantageous.

This is what we have seen at work over the years, it is the transfer of responsibility for paying the government, enterprises and more fortunate households' expenses to all households. It is the art of making the poorest pay more. This form of taxation is called **regressive** as opposed to a progressive taxation, such as income tax, where the wealthiest pay proportionately more than the poorest.[1]

[1] Taken from workshop documentation at the *Journée nationale des centres de femmes du Québec* – 2009.

Q: Why do we say that the taxation of services is not equitable, when the tax is the same for everyone?

A: A tax that is the same for all represents, in percentage, a much larger part of revenue – and therefore a much larger load – for a low-income person than for a high-income person.

Thus, if we take the health costs announced in the Bachand budget, and the increase in electricity rates and daycare expenses, a single-parent family of two children with one child going to daycare, with an after tax income of $25,000, would have to pay nearly **20%** of its income for these taxes, while a family with two parents with an after tax income of $194,500 would only pay **3%** of its income.

Q: The cuts in public services particularly affect women. Why?

A: Women represent 80% of personnel providing care and are therefore particularly affected by the cuts in this sector: they have to absorb the consequences at a cost to their working conditions and their health. They are also the main users of the health system, for themselves, their children, their parents and the family members they care for. When services are not available or too expensive, it is too often women who take up the torch.

Such being the case, women, on average, earn less than men; they have lower incomes and many more of them live in poverty. Women have group insurance coverage less frequently in their jobs to cover the costs of healthcare services not covered by the public plan. When the private costs for health care increase, the ability to pay becomes a factor which further limits access to services for women as compared to men.[2]

[2] Groupe de coordination nationale sur les femmes et la réforme du système de santé, *Les conséquences de la réforme de la santé sur les femmes.*

Q: What solutions should we foresee to maintain public services?

A: 1) Add a taxation level for high-income people for the purpose of reinstating progressiveness in individual taxation:

The Quebec taxation system is less and less progressive. While in 1988, there were 16 different taxation rates according to income levels, there are only three different rates today. This reduction in the number of taxation rates has the effect of putting the onus on taxpayers with incomes between $30,000 and $50,000 to take on most of the progressiveness of the fiscal system and not the more wealthy taxpayers. Install a 4th taxation level, for example at a rate of 29% for higher incomes ($125,000 and higher) which would take in $950 million.[3]

2) Stop relying on independent manpower placement agencies in public health institutions:

According to the MSSS itself, the average hourly rate for using independent manpower for nurses, licensed practical nurses and respiratory therapists is more than 18% of that for the healthcare professionals employed in the network. Thus, in 2008-2009, the additional cost due to using independent manpower for these professionals has soared to more than $29M.

If we enlarge this analysis to all categories of professionals working in the health field, the savings would be about $55 million.[4]

[3] Taken from *Finances Publiques : d'autres choix sont possibles!*

[4] Taken from *Finances Publiques : d'autres choix sont possibles!*

3) Stop resorting to PPPs for the construction of public infrastructures:

On June 9, 2010, the Quebec Auditor General made public a statement that indicates that the projects built as PPPs would not necessarily be more economical than the projects built in the traditional mode, quite the opposite. His calculations show rather that, in the case of the Montreal university hospitals, the traditional mode would bring about a savings of $10 million. [5]

"According to the Auditor Generals of Quebec, Ontario, France and England, it is false to maintain that the PPPs are more advantageous financially, whether for the initial investment or for the estimate of costs of operation or subsequent investments."[6]

And by virtue of a decree in the *gazette officielle du Québec* on April 25, 2009, the government of Quebec has committed to pay a financial compensation of 4 million dollars to the tendering company having submitted an acceptable and standard basic proposal and that will not have been selected!

[5] Taken from *Finances Publiques : d'autres choix sont possibles!*

[6] Pierre J. Hamel, professor-researcher at the INRS, *Les PPP et le principe de précaution*, Le Devoir, January 27, 2011.

4) Adopt control measures for the costs of medication:

This would represent a savings of around $1 billion per year.

The costs of medications are rising by 15% a year and represent 18% of total health expenses. The success of buying at the lowest price policies adopted elsewhere in the world (call for tenders, group sales, reference prices, contract …) is impressive: in New Zealand, the creation of the Crown corporation PHARMAC in 1993, has led to a control in the rise of medication expenses at a pace of 0.5% from 1966 to 2004, far from the 8% seen here (or the 10% to 15% of the private group insurance plans). In fact, by only imitating the policies of buying at the lowest price from New Zealand, Canadian researchers have shown that the price of medications in Canada would be reduced by 45% to 58%.[7]

The abolishment of a benefit called the "15 year rule" is required. This rule guarantees the makers of brand name medications the complete reimbursement of the cost of their products for a period of 15 years, even if the patent has expired or even if there is an equivalent generic drug that is cheaper. This protection, which only exists in Quebec, is given to companies in addition to that conferred by the federal law on patents. The abolishment of the 15-year rule would in itself mean a savings of $300 million. [8]

5) Fight against tax evasion and abolish the tax havens:

Businesses currently benefit from numerous means to avoid paying taxes: tax exemptions, tax reductions granted by the government, tax evasions, delocalization of free zones, etc. In 1950, businesses and individuals contributed more or less equally to the tax revenues of governments. Since then, the share from businesses has not ceased to diminish, reaching 9% or 10.5% according to sources. [9]

[7] Taken from *Finances Publiques : d'autres choix sont possibles!*

[8] Taken from *Finances Publiques : d'autres choix sont possibles!*

[9] Gaétan Breton, *Faire payer les pauvres*, 2006 and Éric Desrosiers, *Les recettes fiscales des pays de l'OCDE atteignent un sommet*, Le Devoir, Thursday, October 18, 2007

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APPENDIX

⇨ QUIZ ⇦

1. Which rights are threatened when access to public services is reduced?

a. The right to physical integrity
b. The right to health
c. The right to a private life
d. The right to work and a decent living conditions
e. The right to education
f. The right to equality
g. All

2. The tax reliefs granted over the last few years deprive the State coffers of:

a. $2 billion
b. $7 billion
c. $3 billion
d. $5.4 billion

3. What percentage of after tax income would the health costs announced in the Bachand budget, the increase in electricity rates and daycare services represent for a single-parent woman with two children, one of whom is in daycare, and who has an income of $25,000 a year?

a. 3%
b. 5%
c. 10%
d. 15%
e. 20%

4. **What percentage of after tax income would the health costs announced in the Bachand budget, the increase in electricity rates and daycare services represent for a household with two parents and two children, one of whom is in daycare, and who have an after tax income of $194,500 a year?**
    a. 3%
    b. 5%
    c. 10%
    d. 15%
    e. 20%

5. **The cost of independent manpower for care exceeds how much (in %) of the cost of healthcare professionals employed in the network?**
    a. 5%
    b. 8%
    c. 12%
    d. 18%

6. **If you present a PPP submission to the government of Quebec and it is rejected, how much will you receive in compensation for your misfortune?**
    a. $50,000
    b. $100,000
    c. $500,000
    d. $1 million
    e. $4 million

7. In New Zealand, the creation of a Crown corporation for medications has resulted in limiting the rise in medication costs to 0.5% a year from 1966 to 2004, while in Quebec the cost of medications rises each year by:

a. 2%
b. 5%
c. 10%
d. 15%

8. In 1950, businesses and individuals contributed more or less equal parts to the tax revenues of governments. Since then, the share of businesses has decreased to around:

a. 40%
b. 30%
c. 25%
d. 20%
e. 10%